

Open session

Board meeting: 19 October 2022

Agenda item: 9

Subject: Declarations and Conflicts of Interest Policy

Action: For Approval

Purpose

Further to its approval of the overarching principles for an updated Declarations and Conflicts of Interest Policy at its meeting of 20 July 2022, the Board is asked to consider and approve the updated Declarations and Conflicts of Interest Policy.

Recommendations

It is recommended that the Board approves the updated Declarations and Conflicts of Interest Policy as set out within **Annexe A** and agrees that it should become effective immediately.

Annexes

Annexe A – Updated Declarations and Conflicts of Interest Policy

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1. Open Session

This item will be discussed in the open session of the Board meeting.

2. Background and Key points

- 2.1. As an independent, statutory regulator, ARB must have a transparent decision-making process in place in order to deliver its statutory functions, as well as its strategy and annual business plans. It is a requirement for Board and Committee members to declare any conflicts of interests or potential conflicts of interest that may arise during their time as an ARB Board or Committee member.
- 2.2. At its meeting of 20 July 2022, the Board noted that the current Declarations and Conflicts of Interest Policy was due to be reviewed and updated, and agreed a set of principles and an approach to underpin the development of an updated policy which included the following:
 - All ARB Board and Committee members will be required to declare any interests on a regular basis (at least annually as well as on a meeting-by-meeting basis) in order to ensure that decisions are made only in the best interests of ARB and so that ARB's decision-making processes continue to be robust and transparent.
 - ARB Board and Committee members must update their declarations of interest as and when they change and ensure that they inform the Executive of any changes.
 - ARB Board and Committee members will consider how external, personal or professional interests could be perceived.
 - A proportionate approach will be taken by the Chair (and/or the Chair of a Committee) and the Executive when considering conflicts which consider:
 - Any policy or operational decisions which could have a direct benefit or impact on ARB Board or Committee members (including financially, professionally or personally)
 - Any policy or operational decisions which could be perceived to benefit indirectly ARB Board or Committee members or organisations or personal connections.
 - Any policy or operational decisions which could be subject to a perception of unconscious bias due to a personal or professional interest.

In considering how to respond the following range of approaches will be considered by the Chair (and/or the Chair of a Committee) and Chief Executive & Registrar, under advice from Director of Governance and International.



It is also felt that the following options which were supported by the Board in July should be considered in the sequential order and considering the level of intervention necessary to satisfy the principles set out above:

1. Requesting members state any potential interest before they contribute to a debate.
2. Requesting members speak last in any debate (so as to avoid the perception of undue influence)
3. Requiring members to abstain
4. Requiring members to withdraw from any debate or discussion

Any conflict of interest should be logged within the Register of Interests for two years, following which it will be removed if the member no longer holds the position (e.g., past External Examiner positions).

- 2.3. Further to the Board's discussions in July, we have now developed an updated policy based on the principles (**Annexe A**) for the Board's consideration and approval.
- 2.4. Subject to the Board's approval of the updated policy, we recommend that it becomes effective immediately.

3. Resource Implications

- 3.1. The development of an updated policy has been accounted for in the Governance Department's budget for 2022.

4. Risk implications

- 4.1. An actual or potential conflict of interest can increase the risk of bias and impact on effective decision making. A conflict of interest can create a risk that an individual's ability to apply judgement and act in their role could be impaired or influenced by a secondary interest. External perceptions regarding conflicts of interest also create risks to an organisation. A robust and transparent Declarations and Conflicts of Interest policy will assist in mitigating this by ensuring that both those making the decisions, as well as any relevant stakeholders, are aware of Board and Committee members' declarations and conflicts. Declarations, conflicts and instances where Board or Committee members withdraw from relevant discussions and decisions will be recorded within the minutes of any meeting for transparency.

5. Communication

- 5.1. Board and Committee members' declarations of interests will continue to be held within the Register of Interests and relevant details will continue to be published on the ARB website for transparency.
- 5.2. Following the Board's discussion, the existing Policy will be replaced as an annexe to the Board Handbook. Relevant updates will also be made to the Declarations and Conflicts of Interest sections within the Board.

6. Equality and Diversity implications

- 6.1. Equality, diversity and inclusion implications have been taken into account during the development of the policy. No specific issues have arisen to date. We will monitor the roll out of the new policy and should any EDI issues emerge, we will look at these and bring back any relevant adjustments to the policy as needed.

7. Recommendations

- 7.1. It is recommended that the Board approves the updated Declarations and Conflicts of Interest Policy as set out within Annexe A and agrees that it should become effective immediately.
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Declarations and Conflicts of Interest Policy

1. Introduction

- 1.1 ARB as an independent, statutory regulator, must have transparent decision-making processes in place to deliver its statutory functions, along with its strategy and business plans. This policy provides our approach to declarations and conflicts of Interests and sets out procedures in the event that any conflicts may arise.
- 1.2 Board Members and all Independent Non-Executives undertaking activities for ARB are asked to provide information about their personal, professional, business and/or other interests which may be relevant to the business of ARB. Decisions can then be made as to whether that interest gives rise to a conflict.
- 1.3 A conflict of interest a situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity; in this case as either a Board member or independent Non-Executive undertaking activities for ARB.
- 1.4 Interests are not always obvious, may only be recognised in hindsight and may not always involve an obvious conflict. Therefore transparency is crucial when dealing with actual and potential or perceived conflicts of interest. A lack of transparency could undermine confidence in ARB as a regulator.
- 1.5 It is a requirement for Board Members and all Independent Non-Executives to declare any interests where potential or perceived conflicts of interests could arise. This should cover current interests or future interests that may arise during their time as an ARB Board or Independent Non-Executive. There may be circumstances in which previous interests of Board or Independent Non-Executives should also be declared.
- 1.6 Board members, as well as all Independent Non-Executives, must complete the Declarations of Interest form accompanied by this policy, which must be updated regularly. All declarations of interest will be logged in the Register of Interests.
- 1.7 A declaration of interest may not always give rise to a conflict of interest, but should still be listed if it may be relevant to ARB's business or activities. Board members and all Independent Non-Executives are reminded that the Register of Interests is available for public scrutiny under ARB's formal publication scheme, and any details that are provided may be posted on ARB's website. An important way of strengthening confidence in independent decision-making is to ensure that connections to individuals and organisations are open for scrutiny by the public.

2. Purpose and Scope

- 2.1 This policy provides advice on how to identify, manage and record declarations and conflicts of interests, or potential conflicts of interests. It sets out guidance that must be followed to ensure that a conflict of interest, or potential conflict of interest, is managed effectively.
- 2.2 The policy applies to Board Members and all Independent Non-Executives who carry out work for ARB. The process of declaring interests involves disclosing members' personal and professional connections and involvements with other organisations or

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individuals. The purpose of the declaration is to ensure that any interested party (including other Board or Committee members, members of the public and other stakeholders) are aware of any potential conflict of interest which can then be appropriately managed.

3. Conflicts of interests

3.1 Conflicts of interests can be financial or non-financial, in a direct or non-direct way. The Declaration of Interests form lists the categories which should be declared at least annually in the event they may become sources of potential conflict of interest. Not all declarations will constitute conflicts of interest, but could give rise to a perception that this is the case. It is therefore important that all relevant interests are declared so that the relevant decisions as to how these interests will be dealt with can be made. These interests must also be declared for interdependent relatives, associates and those close to you that could be thought of as relevant to the work of ARB. If members are unsure if an interest is relevant, section 4 of the policy details the steps of declaring and monitoring conflict of interests.

3.2 The categories and examples of where conflict of interests may arise include:

Full/part time employment	Direct financial benefits include all significant sources of income. For e.g., employment of the Board member by an organisation as employee, consultant or advisor, or the situation where a company of which the Board member is a director or shareholder.
Business interests and professional relationships	It is important to identify ways in which Board members may benefit directly or indirectly from professional relationships with organisations. Professional relationships held by Board members with other businesses should be declared. For e.g., membership of professional bodies, and other groups could be regarded as influencing Board members' behaviour. It is advisable to make full disclosure even if membership is unlikely to be material to the general business of ARB. In particular seeking election to a position in another body in architecture could give rise to a conflict, as well as holding any formal position.
Positions held in other bodies	Non-financial conflict of interests, direct or indirect, may arise where the Board member holds, or is seeking a position in another organisation. For e.g., trusteeship, directorship, committee member, non-executive positions, roles held in local or national organisations.
Voluntary work	Any other areas of unpaid work taken up by Board members will need to be disclosed. Even if a connection is unpaid, a person might still appear to be influenced by the interests of an organisation they serve on an unpaid basis. It is also important that board members should not use information gained in the course of their work on the ARB Board for personal gain or to advance the interests of any

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	particular group or sector, nor seek or appear to be using the opportunity of public service to promote their private interests.
Participation in any campaigning or political body	Board members engaged in campaigns or significant political positions may be perceived by the public as having an interest in advocating a particular approach for ARB. This might be seen as producing a decision which was not wholly based on the relevant evidence and/or representations/consultation responses. Any such conflict of interest or perceived interest could lead to a perception of bias or conflict.
Relationship with any staff members and suppliers of services to ARB	<p>Details of any relationship with staff at ARB should be declared for transparency. In addition, all businesses that the Board member is involved in, which have a direct contract with ARB or are potential contractor with the ARB should be declared.</p> <p>For e.g., relationships or friendships with an individual, firm, company or organisation which might do business with ARB, or where ARB could be required to exercise a decision-making function in respect of that organisation</p>
Personal and Social relationships	Indirect financial interests may arise where potential financial benefits accrue to a close relationship of the Board member. For e.g., family, or even a friend, business partner or colleague.
Relationships with Schools of Architecture or other providers or architectural education and training	<p>Board members may hold external positions in other institutions that could present a conflict of interest, especially when prescription decisions are discussed at ARB.</p> <p>For e.g., prescription matters and decisions relating to their own institution and close personal relationships (family members), external examiner positions in other institutions, part of an interview panel or review of courses/departments etc.</p>

3.3 Other areas of work not covered by the above which present, or could be perceived to be, a conflict of interest relevant to the specific meeting or business of ARB should also be disclosed.

4. Declaring and Monitoring Conflicts of Interests

4.1 It remains the responsibility of the Board member or Independent Non-Executive to determine whether they feel they have a conflict or a potential conflict of interest. Any concerns about whether or not to disclose an interest should be discussed with the Chair of the Board (or the relevant Committee) or the Chief Executive & Registrar, and the Governance team. We wish to ensure a proportionate approach, particularly during Board meetings. As such we encourage Board and Committee members to notify well in advance of any potential declarations of interests so due consideration can be given. This is particularly important where policy matters will be subject to formal decision and a Board or Committee quorum is required.

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4.2 All Board members, as well as Independent Non-Executives, must declare their interests regularly. This information will be collected at the following points as a minimum:

- Recruitment stage – Any candidate being considered as a prospective Board member/ will need to declare relevant interests as part of their application to the Department of Levelling Up, Housing and Communities. All other Independent Non-Executives seeking to undertake work for ARB will also need to complete a Declaration of Interests form as part of an application to ARB.
- On Appointment - Board and Committee members, including Independent Non-Executives must declare all relevant interests by completing a Declaration of Interests form on commencing their position at ARB.
- Updates/Changes - Members must update their declarations as soon as they are aware of any change in circumstances, or at least annually.
- Board/Committee Meetings - Two weeks prior to a Board meeting (or one week prior for Committee meetings), attendees will be provided the agenda and papers for the meeting. Members should review the agenda and their existing declarations and notify the Governance team whether any of the previous declarations are relevant to the meeting agenda items and reasons for this. Any relevant new declarations should also be made. The information should be returned by email. The declarations which are identified as being relevant to the meeting will be notified to the Chair of the Board or Committee with advice regarding any potential conflicts of interest. On occasion, further information might be sought. All conflicts of interest or potential conflicts of interest must be declared at the beginning of the relevant meeting. It must be noted in the minutes as an accurate record of the meeting and the subsequent actions taken. If a Board member becomes aware of any undeclared conflict of interest or it becomes apparent during the course of the meeting, they should declare an interest when the matter arises.
- Other work – Independent Non-Executives should notify the relevant ARB Staff member of any declarations and/or conflicts of interest as soon as they become aware of them.

5. Dealing with Conflicts of Interest

Board and Committee Meetings

5.1 If any members declare an interest which could lead to a conflict of interest, or perception of a conflict, a proportionate approach will be taken by the Chair of the Board (and/or the Chair of a Committee) and the Executive. The following aspects will be considered:

- Any policy or operational decisions which could have a direct benefit or impact on ARB Board or Committee members (including financially, professionally or personally)

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- Any policy or operational decisions which could be perceived to benefit indirectly ARB Board or Committee members or organisations or personal connections.
- Any policy or operational decisions which could be subject to a perception of unconscious bias due to a personal or professional interest.

5.2 The following key range of responses will be considered and applied in accordance with the significance of the interest by the Chair (and/or the Chair of a Committee) and Chief Executive & Registrar, under advice from Director of Governance and International. Each option will be considered in the sequential order below and considering the level of intervention necessary to satisfy the principles set out above:

- Requesting members state any potential interest before they contribute to a debate
- Requesting members speak last in any debate (so as to avoid the perception of undue influence)
- Requiring members to abstain from any debate and/or vote
- Requiring members to withdraw from any debate or discussion (only where there is a direct and obvious conflict of interest of either a personal or financial nature, will they need to avoid contributing from debate or voting e.g., a prescription decision on their own institution).

Other areas of ARB's work

5.3 If any Independent Non-Executives declare an interest which could lead to a conflict of interest, or perception of a conflict, a proportionate approach will be taken by the Executive. The following aspects will be considered:

- Any policy or operational decisions which could have a direct benefit or impact on Independent Non-Executives (including financially, professionally or personally)
- Any policy or operational decisions which could be perceived to benefit indirectly Independent Non-Executives or organisations or personal connections.
- Any policy or operational decisions which could be subject to a perception of unconscious bias due to a personal or professional interest.

5.4 The following key range of responses will be considered by the Executive depending on the significance of the interest:

- Requesting Independent Non-Executives to state any potential interest before they contribute to any relevant discussions, activities or assignments
- Requesting Independent Non-Executives to speak last in any relevant discussions (so as to avoid the perception of undue influence)
- Requiring Independent Non-Executives to abstain as part of any necessary voting that may be required
- Requiring Independent Non-Executives to withdraw from any activity or assignment

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6. Non-compliance

6.1 Non-compliance with this policy will be dealt with under the relevant contractual terms where they apply.

7. Register of Interests

7.1 The Governance team will record and maintain the Register of interests for Board and Committee Members, and Independent Non-Executives, as well as ensuring that relevant details are published on ARB's website.

7.2 Any conflict of interest will be logged within the Register of Interests for 2 years, following which it will be removed if the member no longer holds the position (e.g. past External Examiner positions).

8. Supporting Documents

8.1 This policy is supported by a range of other ARB policies and procedures, which includes:

- Board Members' Code of Conduct
- Fraud and Bribery Prevention Policy
- Gifts and Hospitality Policy
- ARB General Rules
- Data Protection Act 2018 and General Data Protection Regulation